MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2016/2017

BMK 1014 – PRINCIPLES OF MARKETING

(All sections / Groups)

06 MARCH 2017
9.00 a.m. - 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **SIX (6)** printed pages (including the cover page) with **TWO (2) sections (A and B)**.
2. **Section A** (40 marks): Answer **ALL** questions.
3. **Section B** (60 marks): Answer **ALL** questions.
4. Please write all your answers in the Answer Booklet provided.

SECTION A: 40 marks
Answer all questions.

1) Consumers' needs and wants are fulfilled through _____.
A) value
B) demand
C) desire
D) market offerings
E) ideas

2) Dollar General profitably appeals to families with more modest means. The retailer's approach is most likely referred to as _____.
A) mass distribution
B) cost leadership
C) consumer-generated marketing
D) target marketing
E) undifferentiated marketing

3) Which of the following criteria provides a measure of market attractiveness in the Boston Consulting Group approach?
A) relative market share
B) market sentiment
C) return on marketing investment
D) market growth rate
E) brand image

4) According to the BCG matrix, products or businesses with a high market share in a high-growth market are classified as _____.
A) stars
B) cash cows
C) question marks
D) dogs
E) heroes

5) Monfax Corporation insures manufacturers, distributors, and consumers against the loss or damage of goods during transportation after a purchase or sale. In this case, Monfax is an example of a _____.
A) wholesaler
B) retailer
C) financial intermediary
D) physical distribution firm
E) marketing service agency

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6) June Distributors Ltd. buys electronic products from manufacturers for wholesale and sells them to various retail outlets. To which of the following markets does June Distributors Ltd. directly cater?
A) business markets
B) reseller markets
C) manufacturer markets
D) supplier markets
E) consumer markets

7) The marketing manager of Apple Inc. has noticed a sharp decrease in sales over the last two months. The manager decides to conduct marketing research to identify potential causes for the drop in sales. Which of the following should the manager do first?
A) develop a research plan
B) determine a research approach
C) define the problem and objectives
D) select a research agency to collect data
E) conduct exploratory and descriptive research

8) Boosters Inc. has decided to launch a new energy drink that will have the fewest calories among its competitors. To understand the market potential for the new drink and the demographics and attitudes of consumers who are likely to buy the product, Boosters should most likely use _____.
A) exploratory research
B) archival research
C) causal research
D) experimental research
E) descriptive research

9) Which of the following is a psychographic characteristic of a consumer?
A) gender
B) age
C) lifestyle
D) occupation
E) economic status

10) _____ involves enlisting or even creating opinion leaders to serve as brand ambassadors who spread the word about a company's products.
A) Social marketing
B) Traditional marketing
C) Buzz marketing
D) Direct marketing
E) Values marketing

Continued...

11) Gulf Coast, a wholesale shrimp distributor, groups its customers by regions in the United States, such as Midwest, Northeast, and Southwest. For each region, Gulf Coast tailors a different set of advertisements and promotions. The supplier is segmenting its market according to _____.
A) behavioral factors
B) personality characteristics
C) geographic location
D) benefits sought
E) demographics

12) Gold Class Electricals, a consumer-electronics firm, targets market segments based on factors such as country, age, social class, usage rate, and benefits sought. The company divides its markets based on _____.
A) demographic variables
B) geographic regions
C) multiple segmentation bases
D) behavioral variables
E) psychographic segmentation bases

13) Laundry detergent, candy, magazines, and fast food are purchased frequently by customers. They are examples of _____ products.
A) unsought
B) shopping
C) convenience
D) specialty
E) industrial

14) Which of the following statements is most likely true about unsought products?
A) Unsought products are consumer products and services that customers buy frequently.
B) Marketers use aggressive advertising to convince consumers to buy unsought products.
C) Unsought products are typically purchased for further processing by industrial manufacturers.
D) Compared to convenience products, unsought products are purchased more frequently.
E) Unsought products offer many unique characteristics to status-conscious consumers.

15) In which of the following cases is crowdsourcing used for new product development?
A) A company creates a forum where anyone can contribute new product ideas.
B) A company hires a marketing agency to generate new product ideas.
C) A company reviews the sales, costs, and profit projections of an existing product.
D) A company depends on its R&D department to come up with new ideas.
E) A company partners with a design agency to create a few prototypes.

Continued...

16) Hollingsworth is a retail company that is planning to release a new line of luxury personal care products. Its managers are now reviewing the sales history of similar products and conducting marketing surveys to estimate minimum and maximum sales for the product. In which of the following stages of the new product development process is the product?
A) test marketing
B) idea screening
C) business analysis
D) marketing strategy development
E) concept testing

17) Lovely Skin is establishing a pricing strategy for a new mini moisturizer. The total cost to produce each unit is RM3.50. The company has decided to add a RM1.50 markup, so the unit price to distributors will be RM5.00. Lovely Skin is using a _____ approach to price the new moisturizer.
A) value-added
B) good-value
C) cost-plus
D) competitor-based
E) break-even

18) There are more than 50 blueberry farmers in Shammonton, New Jersey, that grow, package, and distribute the same quality blueberries. An individual farmer cannot charge more than the going market price per unit without the risk of losing business to the other farmers. This is an example of _____.
A) pure competition
B) monopolistic competition
C) oligopolistic competition
D) a pure monopoly
E) a black market

19) A _____ is made up of a company, its suppliers, distributors, and, ultimately, customers who "partner" with each other to improve the performance of the entire system.
A) manufacturing chain
B) distribution center
C) marketing intermediary
D) value delivery network
E) disintermediation system

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20)) Which of the following is an example of a horizontal conflict?
A) a Nike shoe dealer complaining that the shoes provided to the dealer are defective
B) a Ford car dealer complaining that another Ford dealer is underpricing the same models
C) a FedEx agent complaining that a DHL agent is cutting off his business
D) a Walmart executive complaining to a Pepsi executive for not replenishing stocks on time
E) a Gucci executive complaining to Gucci's suppliers of delays in shipping consignments

SECTION B: 60 marks
Answer ALL questions.

Question 1

Explain, with examples, the **FOUR (4)** characteristics of services that a company must consider when designing marketing programs.

(20 marks)

Question 2

Distinguish between market-skimming pricing and market-penetration pricing.

(20 marks)

Question 3

In recent years, a dazzling new set of direct digital marketing tools has burst onto the marketing scene, including online marketing. List and briefly describe the **FOUR (4)** major online marketing domains.

(20 marks)

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